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DEVELOPMENT
PROGRAMME

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Country and intercountry programming and projects

COUNTRY PROGRAMME FOR

ETHIOPIA

UNDP assistance requested by the Government of Ethiopia
for the period 1980-1982

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ETHIOPIA

COUNTRY DATA

A.

Area	Population	Currency	Official language
1,221,900 sq.km.	29.5 mn (1978)	Ethiopian Birr US$1 = Birr 2.054	Amharic

B. Basic National Accounts Figures (1975/76):

(a) GNP (Current market prices) 6,001.3 million birr
(b) GDP (Current factor cost) 5,530.0 million birr
(c) Per capita GDP 187.5 birr
(d) Percentage distribution of GDP by sector :

	1974/75	1975/76
Agriculture	48.3	48.4
Manufacturing (incl. handicrafts)	9.1	8.9
Building and construction	5.4	4.9
Transport and communications	6.5	6.6
Services	30.7	31.2
	100.0	100.0

C. Balance of payments (million birr)

	Current a/c	Over-all
1976	- 68.7	- 32.4
1977	-184.3	-133.8
1978	-233.2	-179.5

D. Imports (million birr)

	1976 Br.	%	1977 Br.	%	1978 Br.	%
Capital goods	218	30	226	31	361	38
Consumer goods	235	32	298	42	344	36
Intermediate	276	38	204	25	237	26
Total	729		728		942	

Exports (million birr)

	1976 Br.	%	1977 Br.	%	1978 Br.	%
Coffee	325	56	519	75	502	79
Oilseeds	31	5	18	2	12	2
Hides, skins	55	10	48	7	66	10
Pulses	56	10	43	6	17	2
Others	114	19	61	10	35	6
Total	581		689		632	

E. Central Government revenue and expenditure (million birr)

	1976/77 Current	1976/77 Capital	1977/78 Current	1977/78 Capital
Expenditure	958.9	296.7	1,316.6	267.3
Revenue (domestic)	1,010.9		1,163.3	

ETHIOPIA COUNTRY PROGRAMME 1980-1982

A. INTRODUCTION

1. The Second UNDP Country Programme for Ethiopia covers the period 1980-1982. The programme has been prepared by the National Revolutionary Development Campaign and Central Planning Supreme Council (NRDC and CPSC) in accordance with the objectives of the Programme of the National Democratic Revolution (NDR) which provides the basis for all economic and social development activities in Ethiopia.

2. The First Country Programme for Ethiopia covered the period 1975-1979. The programme originally foresaw total allocations of $28.29 million principally devoted to activities in agriculture ($8.65 million) and natural resources ($5.1 million).

3. In April/June 1978, the Planning Commission Office, forerunners of the NRDC and CPSC, arranged a programme review in order to ascertain whether UNDP activities were consistent with the goals and priorities of the Government during the second IPF cycle 1977-1981. This review increased programmed funds from $23 million to $38 million over the current resource cycle, with expenditures rising from a level of $3.2 million in 1977 to almost $9 million in 1979.

4. The Second Country Programme covers a portion of two UNDP resource cycles, 1977-1981 and 1982-1986. For the 1977-1981 cycle the IPF for Ethiopia is $42 million. From this, $1,258,000 was deducted for overexpenditure in 1972-1976, leaving $40.742 million. This has been distributed annually from $4 million in 1977 to $12 million in 1981. At the commencement of the programming exercise, $12.6 million was already programmed for 1980, $7.6 million for 1981 and $2.36 million for 1982. Programmable resources available for 1982 should be one-fifth of the current IPF, or $8.4 million. In anticipation of an increased IPF for the 1982-1986 programme cycle, however, and taking into account activities that will then be ongoing, a programme of over $11 million is foreseen for 1982.

5. The overall as well as the sectoral targets of the National Revolutionary Development Campaign are established on an annual basis. Accordingly, pending the issuance of a long-run national framework for economic and social development, UNDP assistance has been programmed for a period of three years to ensure its consonance with the development priorities and targets of the country.

6. After a comprehensive assessment of externally-supported development activities had been carried out, the NRDC and CPSC requested ministries and departments involved to indicate priority needs for technical co-operation with UNDP and the general financial implications thereof. The Council then organized a series of hearings to consider sectoral priorities. Sectoral departments of the NRDC and CPSC, technical ministries and agencies were invited to attend the consultations. UNDP and other concerned organizations of the United Nations system also participated. Following further study, the Planning Council made a selection of the requests that it considered had highest priority and were consistent with the available resources.

7. The NRDC and CPSC have taken the opportunity provided by the Country Programme exercise to consider which activities of UNICEF, UNFPA and WHO should be considered in the framework of the UNDP programme and which are to be carried out in collaboration with these and other Agencies of the United Nations system.

B. DEVELOPMENT PERSPECTIVES

(a) Recent economic, social and political developments

8. The years 1975-1979, which also coincide with UNDP's First Country Programme for Ethiopia, was a period of historic significance in the direction, form and content of Ethiopia's economic, social, and political development. In September 1974, the Ethiopian people, spearheaded by the Armed Forces, overthrew a corrupt and oppressive feudal regime, which had subjected the country to decades of disease , poverty and ignorance.

9. Insofar as the Provisional Military Administrative Council (PMAC) was not prepared, from the very outset, to exchange one form of despotic political system with another similar system, it was committed to introduce radical changes in order to ensure:

- the elimination of exploitation;
- the expansion of production to meet the basic needs;
- a rational distribution of economic benefits;
- institutionalized participation of the broad masses in the development process; and
- the eradication of poverty, illiteracy, hunger and disease.

10. One of the first revolutionary measures taken by the PMAC was the nationalization of the commanding heights of the economy, viz. large industries, banks and financial institutions, rural and urban lands, etc. The Rural Lands Proclamation of March 4, 1975, marked a turning point in the history of land tenure in Ethiopia. The proclamation provided a solution to the centuries-old problems of land tenure, such as the eviction of tenants, crop sharing, labour exploitation, etc., which for long arrested the country's progress. To ensure the implementation of the proclamation, some 60,000 high school and university students, together with members of the armed forces, were mobilized and assigned to various regions both to reorient and to organize the peasants into associations.

11. Another important measure pertains to the Proclamation of August 1975, which brought urban lands and extra houses under Government ownership and control. This Proclamation eliminated speculation in real estate and ended the exploitative escalation of house rents. The Labour Proclamation of December 1975 restored to the working class its legitimate democratic rights. It also ensured job security for workers and introduced significant improvements in working conditions.

12. In April 1976 the National Democratic Revolutionary Programme (NDRP) was launched. The objectives of the NDR Programme in the economic sphere are to:

- release the country's productive forces from all feudal and imperialist production relations;
- accelerate the economic development of the country in order to raise the standard of living of the broad masses;
- guide, and manage the process of building an independent and strong national economy through central planning based on socialist principles and experiences.

13. In the social sphere, the objectives of the NDR Programme comprise the following:

- the provision, step-by-step, of free education to the broad masses;
- the eradication of illiteracy;
- the provision of adequate health services;
- the creation of gainful and productive employment for the unemployed (in this regard, the scope for the participation of women in productive labour is to be effectively widened); and
- the provision of adequate care for orphans, abandoned children and the disabled.

14. While the above were some of the most important revolutionary successes during the period under review, the years 1974-1978, in particular, also witnessed negative developments. The counter-revolutionary actions of the feudo-bourgeois classes were both extensive and intensive resulting in damage and destruction to substantial parts of the country's material base. Insofar as the counter-revolution was both internal and external, the magnitude of material destruction sustained by Ethiopia was immense, whilst these resources could have been mobilized for socio-economic development. Thus the fragile economic structure, inherited from the defunct regime, was further weakened by four years of successive struggle and war.

15. Natural calamities such as drought in some parts, floods in others, locust plagues in yet other parts, further contributed to the deterioration of the economy. Another very important factor placing strains on the economy was the problem of transport. The disruption of the distribution system was so serious that it was difficult to transport even emergency supplies of relief aid provided by both bilateral and multilateral sources.

16. A consequence of these negative developments was the general price rise. Inflation which was fuelled by hoarding, increased purchasing power of the peasants and imported inflation, has continued to influence the standard of living of the broad masses. In addition, it has impaired the general capacity of the country to raise the level of capital accumulation for further investment.

17. Therefore, in addition to the unprecedented efforts the Government is making to mobilize domestic resources through fiscal policy and through self-help schemes in order to accelerate investment, it looks forward to receiving massive resource inflows from multilateral and bilateral sources in order to implement the objectives which are clearly spelled out in its socio-economic policy.

18. The conjunction of these complex and pressing problems, which cannot be solved in a haphazard fashion, dictated the mounting of a co-ordinated and integrated economic development campaign, marshalling all human, material and financial resources of the nation under a unified command capable of ensuring the fullest participation of the whole Ethiopian people. To accomplish this, the Provisional Military Government of Socialist Ethiopia created in late 1978 a National Revolutionary Development Campaign and Central Planning Supreme Council (NRDC and CPSC) to work out in the first instance, on a priority and emergency basis, solutions to major and critically outstanding problems, and later to formulate development plans in accordance with the long-term needs of the nation.

(b) Prospects for economic and social development

19. Until the preparation of long- as well as medium-term plans or programme of action, the NRDC and CPSC, immediately upon their establishment, worked out short-term objectives of economic and social development and launched a one-year socio-economic development programme. As indicated in the First Year Programme of the NRDC, the short-term objectives of the economic and social development campaign are:

- elimination of food shortage;
- expansion of industrial production in order to meet an increasing share of the growing domestic demand;
- augmentation and rational utilization of foreign exchange reserves;
- improving the internal marketing and distribution system and, in particular, raising government participation in both external and internal trade;
- promotion of agricultural and industrial exports, diversifying their bases in order to raise the country's import capacity of critical raw materials and capital goods; and
- laying the foundation for a step-by-step removal of existing social problems such as unemployment and under-employment.

20. These objectives have been partly fulfilled during the First Year Development Campaign. Although the outcome of the Campaign was encouraging, and despite considerable recovery of the economy in 1978/79, the outlined objectives are not yet wholly fulfilled and the economy still manifests serious weaknesses. The economy is still at a low level of growth and the productive forces have yet to develop. The level of savings and investment is still very low. The growth of agricultural GDP continues to be lower than the 2.5 per cent population growth, a clear manifestation of the inability of the agricultural sector to feed the population and signalling the existence of food shortages.

21. Efforts are being made to improve the domestic distribution through increased participation of government agencies and mass organizations in the marketing system and through greater control of the private trade sector. Furthermore, for an effective price control of essentials, the share of government agencies and mass organizations, coupled with increased output of these essentials, will be gradually increased. Co-operativization of individual peasant farms and handicrafts as well as small-scale industry will be further strengthened. Additionally the expansion of the state sector in agriculture will be speeded up.

22. A much higher proportion of national income will be allocated to capital formation. This implies that savings should grow at a higher rate than consumption, and a real growth of GDP of at least 7.4 per cent should be maintained for the coming five years. To realize this, an annual investment of Birr 1,570 million will be required in the major sectors of the economy. This has to be mobilized from both domestic and external sources.

23. The Second Year Development Campaign aims at tackling these and other immediate problems, at laying the foundation for a further accelerated economic growth, and at strengthening the material and technical basis for socialist construction.

C. DEVELOPMENT OBJECTIVE, PROGRAMMES AND UTILISATION OF UNDP RESOURCES

(a) Economic and social planning

24. The Government of Socialist Ethiopia is engaged in creating and restructuring the institutional base for development in order to attain its declared policy objectives. An essential element of this base is the machinery for planning. The requests submitted for UNDP financing under this sector pertain to institution-building and training within such agencies as the Development Projects Agency of the CPSC, the Ethiopian Mapping Agency and the Central Statistical Office, all of which are essential for building and consolidating the machinery of planning.

25. Assistance in the planning field is also recorded in the present programme under other sectors, pertaining to land use for agriculture, food and agricultural statistics, industry and health. Within the demographic field proper, the Government is furthermore looking to the United Nations Fund for Population Activities for substantial support, particularly in the preparations for carrying out a population census, timed for the last quarter of 1981, as well as in the statistical field in general. A UNFPA population needs assessment mission was received in early 1980. As a further contribution from the United Nations system in this area, UNICEF is being requested to support the establishment of a national integrated household survey programme.

ONGOING PROJECTS

ETH/75/016 - Strengthening of the AID Bank

26. The project is phasing out and its only remaining component is training; intended to strengthen or provide the manpower needed by the bank. Duration: 6 months

UNDP contribution: US $ 22,000 Government budget: EB 15,000

ETH/78/008 - Project and Programme Analysis

27. The objective of the project is to provide assistance in project preparation; it is planned however to merge this activity in the proposed new project to institute central consultancy services. Duration: 6 months

UNDP contribution: US $ 104,000 Government budget: EB 321,000

ETH/78/016 - Strengthening the Ethiopian Mapping Agency (Cartography Training)

28. The EMA is responsible for planning, co-ordinating and implementing national survey and mapping activities and geographic research. The cartographic products made available to the various economic sectors serve as a basis for development planning, land use allocation, geological investigations, hydrological works and

census preparations. The ongoing project is designed to overcome immediate manpower constraints. In continuation of earlier bilateral assistance, additional resources are also required to equip the Agency adequately for its tasks and to enable it to satisfy the demand for its services. Duration: 3 years

UNDP contribution: US $ 1,033,000 Government budget: EB 34,000

ETH/78/028 - Budgetary and Financial Planning and Management (OPAS)

29. The purpose of the project is to improve national capacity and competence in restructuring and developing fiscal and financial management systems, so as to make them more responsive to the economic and social development process. This ongoing activity will be phased out by early 1981. Duration: 15 months

UNDP contribution: US $ 52,000 Government budget: EB 32,000

NEW PROJECTS

Project Consultancy Services (CPSC)

30. The increased efficiency and returns on investment in all sectors which must accompany the deployment of scarce resources require skilled manpower for preparation and evaluation of investment projects. This is essential at both the national level as well as in individual industries and can be achieved by providing consultancy services to existing enterprises and for establishing new ones. It is envisaged that the Development Projects Agency, within the Central Planning Supreme Council, would undertake this task, and eventually develop into an official consulting body of the Government. Hence assistance is requested from UNDP to strengthen the Department. Duration: 3 years

UNDP contribution: US $ 620,000 Government budget: EB 321,000

Central Statistical Office (CSO)

31. The CSO plans to develop a national statistical programme and to conduct a number of surveys to fill data gaps in current economic, demographic and social statistics. A core staff exists for the preparation and execution of the programme, but there is a lack of experience in fully carrying out and processing such a programme, and the project will be designed to overcome the shortage of qualified professional staff. Duration: 2 1/2 years

UNDP contribution: US $ 240,000 Government budget: EB 100,000

(b) Agriculture

32. Ethiopia is a predominantly agricultural country. The dominance of agriculture in Ethiopia's economy is illustrated by the fact that between 50-60 per cent of its GDP is derived from agriculture, that it provides employment for approximately 90 per cent of the population, and that it contributes between 75-80 per cent of the foreign exchange the country earns.

33. The Government gives particular importance to the sector in its development campaign. The main objectives of its agricultural policy are to increase food and fibre production, accelerate awareness and participation of the agricultural population in the process of socialization and development, fight desertification, and integrate agriculture in a strong and unified national economy. In short, having established a base for accelerated development through abolishing private ownerships of land, the task ahead is modernizing the sector on the basis of socialist principles.

34. Within the framework of the National Revolutionary Development Campaign, the objectives of the government in this sector are to:

- reduce and eventually eliminate the food grain shortage and thereby regain self-sufficiency in food grains;
- ensure an adequate and reliable supply of agricultural products used as industrial raw materials;
- increase and improve the quality and quantity of exportable agricultural products;
- ensure an adequate output of livestock and forestry products required both for household consumption and industrial uses;
- undertake soil and water conservation measures; and
- organize agriculture on socialist principles.

35. The principal immediate goal is the elimination of the food grain shortage and the Government foresees a substantial production increase of grain as a result of the Campaign. The importance of developing seed varieties adapted to local conditions provides the background to the Government's sustained interest in agricultural research.

36. Traditionally, most of the crop production has taken place in the highlands of Ethiopia, but the opportunity for increasing production significantly in those areas is limited. On the other hand, the valleys of Ethiopia offer considerable potential for the development of both irrigated and rainfedagriculture at moderate costs; priority attached to the development of irrigated agriculture. Similarly the need to boost foreign exchange earnings explains the priority attached to coffee and tea development. Much of the origin of the chronic food shortage which has affected the country in recent years derives from the severe degradation of the agricultural environment due to the prolonged drought which affected particularly the northern and north-eastern administrative regions. Hence the priority attached to soil and water conservation and reforestation measures.

37. As far as the livestock sub-sector development is concerned, Ethiopia has the largest cattle herd in Africa and ample grazing lands. However, the high incidence of cattle diseases and poor range management are symptomatic of past neglect in this sector.

ONGOING PROJECTS

ETH/73/004 - Adviser in Agricultural Statistics

38. The project was designed to provide the Ministry of Agriculture with assistance in formulating a long-term programme of food and agricultural statistics and in building up an integrated system of food and agricultural statistics capable of meeting the continued needs of policy-makers and planners in the field of agriculture. Duration: 1 year

UNDP contribution: US $ 50,000 Government budget: EB 15,000

ETH/75/021 - Development of Veterinary Field and Laboratory Services

39. The project is intended to assist in developing field and laboratory veterinary services in the three regions of Illubabor, Kafa and Wolega. Implementation has been hampered by delay in the construction of the diagnostic laboratory, but achievements in the field of rinderpest control and the preparatory work already undertaken hold much promise. Duration: 3 years

UNDP contribution: US $ 888,000 Government budget: EB 1,258,000

ETH/77/005 - Soil and Water Conservation

40. The objective of the project, which became operational only recently, is to assist the Agricultural Development Department of the Ministry of Agriculture to build up, through the training of technicians, a nation-wide programme to arrest soil erosion by applying appropriate conservation techniques for the protection of land, and to demonstrate to the local population that erosion prevention is a major factor in efficient land utilization. Duration: 3 years

UNDP contribution: US $ 205,000 Government budget: EB 512,000

ETH/77/007 - Advisory Services to Relief and Rehabilitation Commission

41. The development objective of the project is to strengthen the capacity of the Relief and Rehabilitation Commission in its programme development for the alleviation or prevention of the effects of natural disaster and assist in the formulation, co-ordination and monitoring of rehabilitation programmes. Duration: 3 years

UNDP contribution: US $ 72,000 Government budget: EB 15,000

ETH/77/014 - Coffee and Tea Development

42. The objectives of the project are (i) the preparation and implementation of coffee and tea development plans; (ii) formulation of production, stock, fiscal and price policies; and (iii) development of a diversification programme, all of which require an integrated system of data collection. Duration: 3 years

UNDP contribution: US $ 472,000 Government budget: EB 585,000

ETH/77/022 - Control of Grain-Eating Birds

43. The overall objective of the project is to assist the Plant Protection Division of the Ministry of Agriculture in developing a programme for significantly reducing grain losses by grain-eating birds. Duration: 3 years

UNDP contribution: US $ 371,000 Government budget: EB 143,000

ETH/78/002 - Cereal Seed Production and Quality Control

44. The purpose of the project is to provide assistance in the field of seed production and quality control, as a vital component for the development of the agricultural sector, which is being given the highest priority for the production of food. Duration: 3 years

UNDP contribution: US $ 345,000 Government budget: EB 2,223,000

ETH/78/003 - Land Use Planning

45. The long-term aim of the project is to develop national capacities in land use studies, land use planning and land administration to serve the immediate and future needs of an overall programme for the optimal use of land, the country's main natural resource. Duration: 3 years

UNDP contribution: US $ 1,659,000 Government budget: EB 2,700,000

ETH/78/004 - Institute of Agricultural Research (Phase IV)

46. The project provides continued support to the Institute of Agricultural Research which started in early 1966. With the current phase of technical assistance ending in 1983, the institution-building effort is expected to be completed. At the same time, a determined effort will be made to link research with field extension activities and to ensure that research programmes are relevant to the needs of the peasants. Duration: 3 years

UNDP contribution: US $ 3,038,000 Government budget: EB 27,470,000

ETH/78/012 - Forestry Research

47. The project is designed to establish a viable forestry research programme on a national scale. This includes determining the adaptability of tree species in different bio-climatic zones so as to obtain criteria for the choice of species to be included in afforestation programmes. Duration 3 years

UNDP contribution: US $ 372,000 Government budget: EB 872,000

ETH/78/013 - Development of Irrigated Agriculture

48. The project aims at the planned optimum utilization of river-basin water resources for the development of irrigated agriculture in two areas, Dabus and Lower Omo, in line with the long-term objective to develop the agricultural potential of

extensive areas which are currently under-exploited or idle for various reasons. Duration: 2 1/2 years

UNDP contribution: US $ 1,776,000 Government budget: EB 916,000

ETH/79/007 - Planning and Implementation of Large-Scale Settlement (SMF/LDC)

49. This projects, which is a continuation of project ETH/74/005 - Assistance to Settlement, provides technical assistance to the Relief and Rehabilitation Commission in connection with the planning, co-ordination and implementation support to Government's resettlement programme which entails the settlement of up to 40,000 households per year. Duration: 3 years.

UNDP contribution: US $ 2,754,000 Government budget: EB 1,870,360

NEW PROJECTS

Training for Rural Development

50. The objective of the project is to train staff for an accelerated programme of rural development-based agrarian reconstruction, including the strengthening of peasant associations and other related programmes. Duration: 18 months

UNDP contribution: US $ 545,000 Government budget: EB 1,300,000

Integrated System of Food and Agricultural Statistics

51. The objective of the project is to develop the capacity to collect, process and analyse required data for development planning, socio-economic policy implementation and the establishment of national priorities in the agricultural field. Such data are obtained from a variety of sources and agencies, and an integrated system of processing all the information available is essential. Duration: 3 years

UNDP contribution: US $ 1,340,000 Government budget: EB 8,421,000

Development of Improved Farm Implements

52. Ethiopian farmers use centuries-old and inefficient farm implements. This results in wastage of energy and effort, low yield, poor quality products and considerable pre-harvest and post-harvest losses. The objective of the project is to develop better implements and to popularize their use. Duration: 2 years.

UNDP contribution: US $ 650,000 Government budget: EB 1,000,000

(c) Natural Resources

53. A basic objective of the National Democratic Revolution is to explore Ethiopia's natural resources and establish industries based on these resources. Many of

these natural resources have yet to be precisely located, their magnitude assessed and the economic feasibility of their use determined. The importance of water to the economy is also recognized. UNDP assistance is sought primarily in the identification of economically exploitable natural resources as well as in the extension of improved water supply throughout the country for agricultural as well as domestic purposes.

54. Like many other least developed countries, Ethiopia has been seriously affected by the increase in petroleum prices over the last six years. This has reinforced the Government's determination to look for alternative sources of energy to contribute to the national energy supply. The need for a comprehensive energy policy is recognized, and UNDP support is foreseen in a project designed to provide the basic data and analysis necessary to formulate such a policy. UNDP has a long history of involvement in Ethiopia's efforts to define and bring on stream its extensive geothermal energy potential. This involvement will continue during the programme period, in co-operation with the Commission of European Communities, as will a similar involvement in the mineral exploitation activities of the Institute for Geological Survey, together with bilateral assistance from the USSR.

ONGOING PROJECTS

ETH/75/005 - Strengthening of the Ethiopian Water Resources Authority (EWRA)

55. The objective of the project is to strengthen EWRA in the areas of planning, water administration, water legislation, engineering and hydrology as well as to effect organizational improvements. Two new components will be added to earlier work: (a) studies on water conservation and utilization through the construction of micro-dams; and (b) assistance to strengthen the Urban Water and Sewerage Agency of the Authority. Duration: 3 years

UNDP contribution: US $ 2,077,000 Government budget: EB 2,700,000

ETH/77/006 - Regional Water Resources Development (Wollo)

56. The project is designed to contribute to the improvement of rural water supply systems in the Wollo Region through the provision of water for human consumption, animal watering and agricultural purposes. Six regional offices of the Water Resources Authority, including the regional office in Wollo, are being established as part of EWRA's policy of decentralization, each of them receiving assistance from various donor agencies. Duration: 2 years

UNDP contribution: US $ 342,000 Government budget: EB 342,000

ETH/77/020 - Rural Water Supply Operation and Maintenance Training

57. The purpose of the project is to provide training for water pump operators, mechanics, plumbers and welders for rural areas, as well as instructors who will continue the training programme after the termination of the project.

The training programme is being conducted under the auspices of EWRA. Duration: 1 1/2 years

UNDP contribution: US $ 193,000 Government budget: EB 120,000

ETH/71/537 - Strengthening of the Geological Survey

58. The aim of the project is to strengthen the Ethiopian Institute of Geological Surveys with expertise and equipment in its geological mapping and assessment of the mineral and water resources potential of the country. Duration: 3 years

UNDP contribution: US $ 1,320,000 Government budget: EB 6,000,000

ETH/78/007 - Development of Geothermal Resources

59. Based on earlier geophysical and geochemical prospection work, the stage has now been reached where a drilling programme is to be carried out to verify and pinpoint existing geothermal reservoirs. Drilling operations will be financed by the EEC, with UNDP providing technical and management advisory services, as well as steel casings for exploratory and production wells. Duration: 2 years

UNDP contribution: US $ 1,028,000 Government budget: EB 5,059,700

ETH/79/001 - Training for Rural Electrification Programme

60. Ethiopian Electric Light and Power Authority (EELPA) is about to embark on a comprehensive rural electrification programme, relying as far as possible on local materials and personnel. The project is designed to assist in the training of the personnel needed to construct high tension transmission lines and sub-stations. It also provides for the training of instructional staff as well as administration personnel. The project will be executed by the Government with EELPA as implementing agency. Under a separate budget, the ILO will provide consultancy services to assist EELPA in monitoring contractor performance. Duration: 2 years

UNDP contribution: US $ 566,000 Government budget: EB 1,480,000

ETH/78/026 - Strengthening of Meteorological Services

61. The aim of the project is to train forecasters, meteorological data analysts as well as technicians. In addition, the project provides for some consultancy services. Duration: 18 months

UNDP contribution: US $ 275,000 Government budget: EB 114,000

ETH/79/008 - Addis Ababa Water and Severage Authority (AAWSA)

62. AAWSA envisages an immediate investment programme for the improvement and expansion of the water supply and severage systems in Addis Ababa, without which a serious water shortage is forecast for the capital in a few years' time. The present project is to implement the recommendations of a consultant firm in the

area of management and operations, designed to enable the Authority to carry out its investment programme. Duration: 2 years

UNDP contribution: US $ 700,000 Government budget: EB 563,000

ETH/78/017 - Energy Survey

63. The project aims at undertaking urban and rural energy surveys as an input for the formulation of energy policy. The importance of this undertaking can be gauged by the fact that 30-35 per cent of the country's foreign exchange earnings are devoted to the importation of fossil fuels, mainly for the industry and transport sectors, constituting about 4 per cent of Ethiopia's total energy requirements. The project will also establish pilot plants to determine the viability of biogas, solar and wind energy resources. Duration: 3 years

UNDP contribution: US $ 564,000 Government budget: EB 398,900

NEW PROJECTS

Feasibility studies for hydro-electric micro-plants

64. Site investigation and feasibility study for micro-hydro electric plants for localities too remote to be served from the inter-connected system of the Ethiopian Electric Light and Power Authority (EELPA), to substitute, replace or supplement diesel plants which require imported fuel for their operation. Duration: 2 years

UNDP contribution: US $ 426,000 Government budget: EB 84,500

(d) Education and culture

65. In the past the educational system was elitist catering only to the privileged few in the urban sectors. As a result there are severe manpower shortages at all levels of qualification, and in all sectors. At present, there are 4,800 primary schools with about 29,000 teachers and 807 secondary schools with just over 7,600 teachers. These schools are providing education to approximately 1.4 million pupils. This leaves over 11 million children under 15 years of age without access to education.

66. The Government of Socialist Ethiopia is furthermore concerned with restructuring the ill-adapted curricula and programmes of education inherited from the previous regime and which are at the root of the general under-development of the country, and the inequality of opportunity between classes and regions. The prevailing acute shortage of trained manpower is one of the major bottle-necks of the Government in its effort to restructure the general socio-economic conditions of the country.

67. The Government is thus engaged in an effort to expand educational opportunities, to redress imbalances, to make educational content relevant to Revolutionary Ethiopia, to escalate the national literacy campaign, and to increase the output of manpower required for the promotion of the country's socio-economic development. The role of education during the National Revolutionary Development Campaign is to create the educational infrastructure necessary to achieve the targets in the overall development planning. A second objective is to mobilize and co-ordinate through popular organizations, the participation of all literate members of the society at regional, sub-regional, district and community (Kebele) levels to combat illiteracy.

68. The preservation of the diverse cultural heritage of Ethiopia remains an important priority. This is reflected in the use of the vernacular languages as teaching media, as well as in the concern for the preservation of Ethiopia's unique historical monuments. Preservation and restoration of these monuments has been assisted by UNDP and UNESCO; in co-operation with UNESCO an international campaign is to be launched for the safe-guarding of Ethiopia's cultural heritage, and the Government wishes to continue this activity which aims to build up technical and administrative capacity to handle such a campaign.

ONGOING PROJECTS

ETH/78/021 - Education Manpower Development

69. The immediate task of the project is to upgrade 1,400 teachers through in-service training to fill the requirements at the lower level in secondary schools. In addition, it is to evaluate the upgrading mechanism as a means of securing manpower in the education system. Duration: 20 months

UNDP contribution: US $ 132,000 Government budget: EB 1,342,700

ETH/78/020 - Production Infrastructure for Education

70, The project will assist the Educational Materials Production and Distribution Agency in expanding the local production of school equipment and teaching materials. A central workshop will be established in Addis Ababa for the production of science equipment for educational units. Production units will also be created in secondary schools in each of seven administrative regions for the production of basic school furniture and hand tools. Duration: 1 1/2 years

UNDP contribution: US $ 461,000 Government budget: EB 1,640,780

71. The project will assist the College of Teacher Education at Kotebe in integrating technical and practical aspects in the education programme to make graduates conversant with particular trades such as metalwork, electricity, woodwork, etc. The project is to establish operational workshops, provide equipment and tools for the successful implementation of the programme. Duration: 2 years

UNDP contribution: US $ 350,000 Government budget: EB 1,700,000

ETH/77/016 - Academy of Pedagogy

72. The project is an element in the efforts to reform and expand primary education, to reorient curricula, to step up in-service teacher training, and to introduce adult and mass education programmes. The project is of three years' duration and located with the Academy of Pedagogy at Bahr-Dar, an institution concerned with the training of teacher educators and in-service training of school principals, supervisors, teachers and development workers. Duration: 3 years

UNDP contribution: US $ 1,180,000 Government budget: EB 2,000,000

ETH/74/014 - Preservation of Historical Sites and Monuments

73. The objective is to build up an administrative and technical infrastructure, within the Ministry of Culture, able to maintain and restore as necessary Ethiopia's unique historical monuments. A proper organizational and technical base for such preservation activities is particularly essential in view of the UNESCO Conference resolution calling for an international campaign in favour of the country's cultural heritage. Duration: 1 1/2 years

UNDP contribution: US $ 261,000 Government budget: EB 300,000

ETH/77/026 - Mass Education Programme

74. The mass education programme was initiated to provide access to education of the rural population and in particular, deprived and neglected communities. The project is due to terminate in 1979 after an assessment by an evaluation mission. The innovative approach of the basic education programme has proved useful and effective in areas where no regular educational facilities exist, encouraging community self-help by utilizing local manpower and resources. The evaluation will assess the result of ongoing mass education activities and assist in designing future United Nations system support in this area. Duration: 3 years

UNDP contribution: US $ 219,000 Government budget: EB 40,000

(e) Health

75. Public health services in Ethiopia have so far been extended to only 15 per cent of the population concentrated in and around centres. The Government is making efforts to improve the health conditions of the population by increasing the allocation of resources to the health sector, creating new institutions at regional and community levels, consolidating and reorienting existing health services. However, much remains to be done to combat major health problems, such as communicable diseases which comprise 80 per cent of the major diseases in the country, and nutritional deficiencies which are crucial to the overall enhancement of the health status of the population. It is also intended to establish effective health services delivery system from central to community levels.

76. The objective of the National Revolutionary Development Campaign in the health sector is to produce expanded primary health care and particularly to rural communities. The Basic Health Services Department of the Ministry of Health has established several Divisions that would deal with mother and child health (MCH), expanded programme of immunization (EPI) and other aspects for the delivery of primary health care. Furthermore, the Government strives to strengthen the existing health services delivery structures at central, regional, sub-regional and district levels, as well as to establish new health centres and health stations. The training and involvement of community health agents and traditional birth attendants selected from popular organizations in local communities is aimed at forming a link between grass-root health services delivery and district level health stations. These actions serve the purpose of strengthening the machinery for health services planning, prevention and control of communicable diseases, eradication of malaria and the training of required health personnel at various levels.

77. Increased co-operation among United Nations and bilateral agencies for the provision of assistance to various development programmes is planned during the 1980-1982 period. One example is a projected interagency mission comprised of UNFPA UNICEF, WHO and SIDA for the purpose of developing an aid package and operational plans for MCH and primary health care requirements in the country.

ONGOING PROJECTS

ETH/68/023 - Health Planning

78. UNDP has provided assistance in this sector for a number of years, with advisory services, assisting the Government to strengthen the health planning machinery, particularly in the collection, compilation and analysis of data to assist decision-making at policy levels. Project activities are now being phased out, except for support in certain programming and engineering aspects of physical health structures, as well as training. Duration: 1 year

UNDP contribution: US $ 115,000 Government budget: EB 897,000

ETH/77/024 - National Health Laboratory

79. The project was initiated in 1978 with the view to strengthening the national health laboratory services for the effective control of communicable diseases and environmental health as well as for the reorganization of the Central Laboratory and Research Institute. The establishment of training programmes for laboratory technicians and the strengthening of the supervisory role of the Central Laboratory and Research Institute to the national health laboratory network are important aspects of the project's activities. Duration: 2 1/4 years

UNDP contribution: US $ 545,000 Government budget: EB 765,000

ETH/78/023 - Traditional Medicine

80. The project is intended to incorporate traditional drugs, medical practices and practitioners into the general network of national health services in an organized and rational manner. Its main objective is to expand the use of traditional health practices and to establish a national co-ordinating office within the Ministry of Health to co-ordinate research and feasibility studies. Project activities will commence in 1980. Duration: 3 years.

UNDP contribution: US $ 440,000 Government budget: EB 83,000

ETH/79/011 - Public and Environmental Health Planning (VADA) - Phase II

81. The project was initiated in 1972 to deal with health problems that might ensue as a result of agricultural and industrial development in the Awash Valley. The project is now to extend its services to other areas, widening its scope to cover the major valleys of Ethiopia being developed under the aegis of the Valleys Agricultural Development Authority (VADA). Duration: 3 years.

UNDP contribution: US $ 544,000 Government budget: EB 952,000

ETH/78/025 - Sanitary Engineer Training

82. The project is intended to assist the Faculty of Technology of the Addis Ababa University in the expansion and consolidation of the Sanitary Engineering Department, for the purpose of overcoming the acute shortage of skilled and trained manpower in the various disciplines of sanitary engineering, environmental health and sanitary controls. Duration: 2 1/2 years.

UNDP contribution: US $ 340,000 Government budget: EB 428,000

ETH/78/024 - Solid Waste Disposal

83. The objective of the project is to study problems relating to the disposal of solid waste in Addis Ababa and to launch the operation of a viable disposal system. Duration: 1 1/2 years.

UNDP contribution: US $ 180,000 Government budget: EB 260,000

ETH/79/006 - Communicable Diseases Control Services (CDC)

84. The objective of the project is to strengthen the CDC division within the Ministry of Health for the creation of an effective health delivery system and for the provision of primary health care to the rural population. The project is to integrate the manpower and material resources of the Smallpox Eradication Programme (SEP) initiated in 1971. As Ethiopia has been declared small-pox free, the SEP has been phased out and the CDC will absorb the SEP project structure and draw on the experience of its staff. Epidemiological surveillance and analysis of data for prompt remedial action will be strengthened. Duration: 1 1/2 years.

UNDP contribution: US $ 694,000 (IPF) Government budget: EB 3,462,000
365,000 (SMF/LDC)

(f) Social and labour affairs

85. The unemployed and destitute, prostitutes, orphaned children, mentally and physically handicapped, and the old are among the social problems existing in Ethiopia. The oppression arising from the economic system of feudal Ethiopia, the displacement of the rural population caused by the expansion of private mechanized farming, and the attraction of employment opportunities, however limited, offered by industries in the major cities, contributed to the large influx of population from the rural areas to the cities. The lot of women was compounded by the fact that not being owners of property, their only alternative, upon divorce, was to flock to the cities in search of employment.

86. The feudal regime did not take measures to mitigate these social problems. The nature of the system and the low level of the country's economic development made it impossible to tackle them through unemployment benefits, orphanages or homes of the aged. The National Democratic Revolutionary Programme gives due emphasis to the protection of the working class, patriots, to the rehabilitation of the disabled, the handicapped and the destitute. The Government has already taken several measures directly or indirectly reducing the magnitude of these social problems, but the stage of national development, the scarcity of data regarding the extent and nature of the problem have limited further action. Furthermore, organizational and manpower requirements needed to morally convert, to rehabilitate and retrain prostitutes, lumpen, etc. for productive activities, are enormous.

87. The need for a systematic approach is further dictated by the ever-expanding size of the working class, the need for providing it with healthy working conditions and security, to ensure systematic and efficient operation of government-owned enterprises in areas of production, distribution and marketing. The assistance requested from UNDP under this heading includes the systematization of pension schemes and the strengthening of the National Productivity Centre, which is entrusted with the responsibility of providing the necessary management and shop-floor skills in state enterprises.

ONGOING ACTIVITIES

ETH/77/009 - National Productivity Centre (NPC)

88. UNDP is providing assistance to the NPC in its efforts to meet the demand for managerial and technical personnel and to provide consultancy services to the various state-owned industrial enterprises. Project activities started in 1978 and additional assistance is requested for strengthening the NPC to enable it to expand its activities for the development of industrial manpower. Duration: 3 years.

UNDP contribution: US $ 1,495,000 Government budget: EB 3,000,000

ETH/75/043 - Rehabilitation of the Disabled

89. The project was designed to elaborate a national rehabilitation policy and guidelines which will provide a framework for the long range development of the rehabilitation programmes. In addition a manpower development plan for trainin technical and administrative staff is to be produced. Duration: 3 years

UNDP contribution: US $ 132,000 Government budget: EB 110,000

ETH/75/028 - Public Service Pension and Social Security

90. The expanded objectives and coverage of the pension scheme, which now includes pension as well as employment injury benefits, necessitate effective planning and implementation of the Government's comprehensive programme in this sector. Duration: 3 years

UNDP contribution: US $ 150,000 Government budget: EB 91,000

NEW PROJECTS

Labour Inspection Services

91. The objective of the project is to enable the Ministry of Labour to carry out its labour inspection responsibilities which include legal services concerning working conditions, health and safety of the workers. Duration: 3 years

UNDP contribution: US $ 500,000 Government budget: EB 126,000

(g) Transport and communications

92. Ethiopia is a large mountainous country with a limited network of roads and railways, and the distances involved make investment in this sector onerous for the economy. Despite the relatively large investment the Government is allocating to this sector, a greater part of the country remains inaccessible, thus reducing the mobility of goods and people.

93. Although the post-revolution period has witnessed a major effort on the part of the Government to provide basic services, and to mobilize the rural population for development purposes, the limitations of the communication network has prevented better results. Owing to the magnitude of the task the role of UNDP and of other funding agencies, bilateral as well as multilateral, to improve the situation by providing the necessary resources is essential.

94. The proclamation of the Decade for Transport and Communications in Africa lends particular significance to development in this sector. Within UNDP's regional programme, support for training activities in the civil aviation field and for the harmonization of the continental telecommunications network are relevant to the national programme and projects. Various bilateral aid agencies continue to support the programme of road construction, especially in rural areas.

Continued support from the UNCDF is also being sought in this regard. The more widespread use of labour-intensive construction methods will be developed in parallel with a project of feeder road building under an IBRD loan.

95. Also recorded under the transport sector is a logistics support project financed from the Special Measures Fund, for the transportation of food-for-work and relief grain as weel as other non-commercial cargo. As a result of an international appeal, 168 heavy duty vehicles (with 123 trailers) were donated for this purpose by bilateral and multilateral aid agencies and non-governmental organizations. This vehicle fleet, organized as an emergency transport unit, has materially eased the transportation bottleneck that developed in 1977-1978.

ONGOING PROJECTS

ETH/77/019 - Civil Aviation Training

96. The project is designed to enable the Civil Aviation Authority to discharge its responsibilities, particularly in areas of maintenance and operation of air navigation facilities and services. These include engineering, flight safety, plans and policies, and administration. The main components of the project are the provision of fellowships and equipment. Duration: 1 1/2 years

UNDP contribution: US $ 405,000 Government budget: EB 655,000

ETH/77/021 - Postal Services Training

97. The objective of the project, which is phasing out, is to provide trained manpower so as to enable the Ethiopian Postal Services to operate efficiently and effectively. Minor additional training funds are needed. Duration: 2 years

UNDP contribution: US $ 30,000 Government budget: EB 21,000

ETH/78/019 - Rural Road Construction

98. The project aims at improving the technical implementation capacity of rural road construction brigades and maintenance units, so as to accelerate the hitherto neglected rural roads development and to maximize the benefits from investments already made in trunk roads. The project components comprise equipment and the provision of expert and consultancy services. A fellowship training programme for forty-five staff engaged in rural road construction is also envisaged. Duration: 2 1/2 years

UNDP contribution: US $ 540,000 Government budget: EB 700,000

ETH/77/025 - Logistic and Technical Support for Food Aid Transport (SMF/LDC)

99. This support project is devised to facilitate the organization and operation of an "emergency transport unit" within the National Transport Corporation. Apart from moving non-commercial cargo, such as food-for-work grain and relief supplies,

the project vehicle fleet transports export commodities back to port. The project will set up a workshop and operational base, as well as a network of regional stations to supervise transport operations. Duration: 1 1/2

UNDP contribution: US $ 550 Government budget: EB 402,000

ETH/78/027 - Rural Radio-Call Services

100. The objective of this pilot project is to extend telecommunications facilities to remote areas and integrate them with the existing micro-wave radio system. In systematizing the national telecommunicaitons network, the project which is nearing completion has demonstrated an effective alternative to the costly services currently utilized by both government and non-government sectors. In addition, it will rationalize the utilization of the presently congested HF radio spectrum by establishing an integrated national radio telephone service. Duration: 6 months

NEW PROJECTS

Telecommunications Training Institute

101. The Telecommunications Training Institute, established in 1953 with ITU assistance, has played a key role in the development of Ethiopia's telecommunication services, in providing pre-service training mainly for basic and medium skills. In-service training needs at medium and advanced levels have however become increasingly pressing, particularly in the light of rapidly evolving technologies. It will therefore be necessary to upgrade the Institute to cater for the new requirements. Duration: 2 years

UNDP contribution: US $ 878,000 Government budget: EB 1,233,000

(h) Industry and commerce

102. The industrial (manufacturing) sector which Revolutionary Ethiopia inherited from the fallen feudo-bourgeois regime is still very modest in scope, contributing only 5-6 per cent to the gross domestic product; if the share of handicrafts and small-scale industries is included, the figure is about 10 per cent. The structure of production, which is heavily biased in favour of light consumer goods, testifies to its low level of development; intermediate and producer goods industries hardly exist. It is inward-looking in the sense that virtually all production is destined for the domestic market, participation in the export trade being minimal. Most industrial establishments have obsolete and poorly-kept machinery and manifest a high degree of dependence on imported raw materials, intermediate goods and spare parts.

103. Despite these difficulties, industrial performance in the past few years has been very encouraging, given also the additional problems of the necessity for the country to fight wars of aggression as well as internal and external reactionary forces. The demand for industrial goods has been rising rapidly as a result of the income redistribution measures introduced by the revolutionary government, especially the rural and urban land redistribution and improved labour laws. This imbalance between supply and demand has expressed itself in the market by shortages of several essential commodities.

104. The main objectives of the Campaign with regard to the industrial sector are:

- to increase the production of industrial commodities required for the campaign;
- to increase the output of essential consumer goods required for satisfying the needs of the broad masses of the population, as well as the production of manufactured articles for export;
- to assist craftsmen and small-scale industries to increase their production; and
- to lay the foundations for long-term industrial development.

105. With respect to foreign trade, UNDP assistance involves institution-building. Foreign trade is one of the four priority sectors of the Development Campaign, and there is a need for experienced professional manpower to systematize and orient operations in accordance with national development objectives. The general objectives of the Government in the area of trade are:

- the increase and proper utilization of foreign exchange earnings;
- the strengthening of state and other public trading organizations with a view to making their participation effective; and
- the regulation and control of private sector participation in trade.

ONGOING PROJECTS

ETH/75/008 - Industrial Projects Development

106. The project is to assist the Ministry of Industry (i) to raise performance of existing state enterprises and (ii) to identify, develop and evaluate priority industrial projects. It provides for expertise, consultancy services, fellowship training and equipment. The obsolete condition of existing manufacturing plant and the range of technical problems which arise from time to time justify the allocation of additional resources. Duration: 3 years

UNDP contribution: US $ 1,122,000 Government budget: EB 606,000

ETH/77/018 - Handicraft and Small-Scale Industries Development

107. The purpose of the project, which started in 1978, is to strengthen the Handicrafts and Small-Scale Industries Development Agency (HASIDA) by training its staff and assisting it in the promotion of handicrafts and small-scale industries, especially with regard to: (a) project indentification and preparation;

(b) improved production methods (appropriate technology); (c) marketing and input supplies; and (d) promotion of co-operatives. Duration: 3 years

UNDP contribution: US $ 1,800,000 Government budget: EB 886,000

ETH/78/006 - Survey of the Textile Industry

108. The purpose of the project is to carry out a survey of the textile industry resulting in a study with recommendations on the measures required to improve the efficiency of the industry. The survey is being undertaken by a consultant firm and started in June 1979. From the total UNDP contribution of US $ 132,500, about half has already been disbursed in 1979. Duration: 1 year

UNDP contribution: US $ 60,000 Government budget: EB 10,000

ETH/78/001 - Leather and Leather Production Development

109. The project aims at providing comprehensive support to the leather and leather products industries, in place of earlier assistance which was modest in scope, dispersed, and hence had little impact.. The current project, which started in 1979, aims at increasing the capacity of the National Leather and Shoe Corporation in utilizing the large supply of local hides and skins and in improving the quality of tanneries and shoe products. Duration: 3 years

UNDP contribution: US $ 1,455,000 Government budget: EB 1,941,000

ETH/79/003 - Standardization and Quality Control

110. The Ethiopian Standards Institute (ESI) was created in 1976 for the purpose of introducing and promoting standardization and quality control in industrial production as well as to develop and enforce a national weights and measures programme in Ethiopia. Assistance is being provided by UNDP to strengthen the capacity of the ESI to regulate standards and to control product quality. Project activities will commence in 1980. Further UNDP resources to the ESI are requested for setting up a National Metrology Centre which will be fully integrated in the Institute. (See project under Science and Technology Sector). Duration: 3 years

UNDP contribution: US $ 1,321,000 Government budget: EB 1,142,000

ETH/77/010 - Strengthening of the Foreign Trade Sector

111. Project activities started in 1978, reflecting a general approach to foreign trade issues. However, with the establishment of the new Ministry of Foreign Trade in mid-1979, it has become necessary also to give attention to the commodity, territorial and institutional structure of foreign trade, and to advise on particular aspects of trade negotiations, whether multilateral or bilateral. In addition, the project will be revised to assist the Ministry in familiarizing staff with various systems of purchasing, packaging, transportation and pricing, with the rationalization of import procurement, the monitoring of commodity trade and prices,

and with the organization of seminars and symposia, for which experts and finance are requested. Duration: 3 years

UNDP contribution: US $ 847,000 Government budget: to be determined

NEW PROJECTS

Sub-sectoral Surveys

112. The structural transformation of the industrial sector is an important objective which will be pursued with greater determination in the years ahead. The surveys are to provide a comprehensive appraisal of the present status of the engineering and chemical sub-sectors, identify possibilities for their future development and formulate appropriate strategies and plans to accelerate their expansion. Duration: 7 months

UNDP contribution: US $ 205,000 Government budget: EB 20,000

Pilot Foundry

113. The growing demand for castings for spare parts manufacture cannot be satisfied due to the very limited scale of present castings production. The principal obstacles affecting the development of foundry industry are lack of skilled labour managerial cadres, and proper facilities for vocational training. The assistance envisaged includes training of managerial cadres, provision of expertise and equipment. Duration: 2 1/2 years

UNDP contribution: US $ 454,000 Government budget: EB 198,000

Mini-Steel Plant

114. Based on existing reports on the deposit of iron ores and lignite, there is a need to undertake a comprehensive techno-economic study of the feasibility of pig-iron production based on the direct reduction process. The study should provide a first appraisal of the suitability of local iron ores, lignite, limestones, etc. to be used in the reduction process; costs of exploitation, demand, minimum size productivity of the plant and its requirements. Duration: 6 months

UNDP contribution: US $ 55,000 Government budget: EB 48,000

Building Materials Research Centre

115. The objective of the project is to devise appropriate and economical substitutes for imported building materials. The type of assistance required is for institution building, organizational arrangements, equipment and training. Duration: 2 1/2 years.

UNDP contribution: US $ 900,000 Government budget: EB 274,000

(i) Science and technology

116. In the past, the feudo-bourgeois regime allowed development and modernization to be determined by outside interests that dominated trade, aid and technological transfer. This state of affairs was not conducive to bringing about self-sustaining growth, nor was it able to provide for the well-being of the population, in particular the rural population. A major disadvantage in this approach was that modernization mechanisms were not integrated with the economy; in fact, this has been a principal factor underlying the considerable inequality in income and life-style between urban and rural populations.

117. To rectify this situation, the Government established in 1975 the Science and Technology Commission, and the Commission for Higher Education in 1977. These Commissions were entrusted with the responsibility of building up national capability and of adopting technology appropriate to Ethiopia's needs. In the context of current socialist development efforts, science and technology are instruments providing for the accelerated socio-economic development of the country. Essentially, this entails the development of suitable technology in all areas, through the improvement of skills, adapting them to existing material resources as well as to potential resources for the production of goods serving basic needs.

118. Within this framework, international aid is requested primarily for the purpose of developing human skills simultaneously with research and development in order to promote appropriate technology and the capability of the country to maintain self-sustaining progress in the science and technology sphere. To this end, UNDP is being requested to assist in setting up a centre for the transfer of technology; in the integration of traditional medicine into the basic health services; the application of nuclear techniques in combatting animal diseases, research and extension in agriculture.

ONGOING PROJECTS

ETH/77/013 - Research and Development in Water Pumping Technology

119. The project is designed to help devise low-cost irrigation and water supply systems to rural communities, through appropriate technology, and to contribute to a fuller use of water resources for the betterment of living conditions in rural areas. Research has concentrated on low-cost handpumps and windmills; for certain categories of pumps, field testing has been completed and the feasibility of their manufacture has been examined. Duration: 3 years

UNDP contribution: US $ 292,000 Government budget: EB 900,000

ETH/77/001 - Centre for Transfer of Technology

120. The development objective of the project is to reduce the economic dependency of the country and to alleviate both external and internal constraints to economic development through the strengthening of Ethiopia's technological capacity, by improving the terms on which it acquires technology and by developing an indigenous technological capacity in line with the orientation of the national pattern of economic and social development. Duration: 3 years

UNDP contribution: US $ 570,000 Government budget: EB 452,000

ETH/78/005 - Application of Nuclear Techniques in Animal Sciences

121. The objective in this sub-sector is to improve the quantity and quality of animal production. The project is aimed at introducing nuclear techniques in controlling animal diseases. Duration: 1 1/2 years

UNDP contribution: US $ 268,000 Government budget: EB 297,000

NEW PROJECTS

National Metrology Centre

122. To increase industrial capacity and quality of products as well as protecting the interests of the consumer, advanced measurement and calibration techniques are needed. The project is intended to strengthen the Ethiopian Standards Institute by creating a national metrology centre as an integral part of ESI. Duration: 1 year

UNDP contribution: US $ 450,000 Government budget: to be determined

Annex I

Resources taken into account for programming

		$
A	**Resources available**	
	(a) IPF for 1977-1981 cycle	42 000 000
	(b) Tentative 1982 resources a/	8 400 000
	(c) Less over-expenditure of resources from 1972-1976 cycle	1 258 000
	(d) Less expenditures for 1977, 78, 79	15 447 000
		33 695 000
	Provision for adequate programming	6 922 000
	Total resources taken into account for programming	40 617 000
B	**Use of resources programmed (all sectors)**	
	(a) Ongoing projects	32 834 000
	(b) New projects included in the country programme	7 783 000
	Total resources programmed	40 617 000

a/ Equivalent to $1/5$ of current cycle

Annex I (Cont'd).

C Annual financial distribution of programme by sector

Sector	1980	1981	1982	Total	%
Economic and social policy and planning	617	554	900	2 071	5
Agriculture, forestry and fisheries	4 600	4 517	2 671	11 788	29
Natural resources	3 055	2 824	1 442	7 321	18
Education and culture	1 093	937	573	2 603	6
Health	1 132	1 029	697	2 858	7
Labour management, employment and social affairs	650	927	700	2 277	6
Transport and communications	445	777	678	1 900	5
Industry and international trade	2 931	2 686	2 602	8 219	20
Science and technology	340	490	750	1 580	4
TOTAL	14 863	14 741	11 013	40 617	100

Annex II

Development Assistance by Sector from the United Nations Development System other than UNDP - 1978

Project title	Source of assistance	Costs	Objectives/Activities
AGRICULTURE			
ETH/77/C/31 Seed cleaning, storage and other structures	UNDP/UNCDF	1 993	Assistance to the Ministry of Agriculture for the construction of storage and other structures
TCP/ETH/67/01 Valleys Agricultural Development Authority	FAO/TCP	260 000	Formulation of indicative programme for development of Ethiopian valleys
Livestock development	IBRD/ADB	1 450 000	Livestock development programme in Hararghe
78/HA/ETH/AG/1, 2, 3 and 4	UNHCR	705 000	Purchase and distribution of seeds and hand tools for displaced populations
EDUCATION			
Pre-school, primary teacher training, and curriculum development	UNICEF	458 000	Assistance in cash for transport and supplies
HEALTH			
Hospital planning and administration	WHO	46 800	Anaesthesiology consultant for 6 m/m. Supplies and equipment for Min. of Health, training abroad
Maintenance and repair of medical equipment	WHO	64 800	1 technical officer for 12 m/m. Supplies and equipment, fellowships, local cost, technocentre Addis Ababa
Services for pharmaceutical and environmental health	WHO	108 600	Supplies and equipment, local costs for technocentre in Ministry of Health. Training abroad
Public health services	WHO	28 000	MCH expert for 12 m/m. Supplies and equipment for Ministry of Health

Annex II (cont'd.)

Project title	Source of assistance	Costs	Objectives/activities
HEALTH (contd.)		$	
Medical education, incl. fellowships abroad and production of teaching materials	WHO	239 900	2 advisers for 12 m/m each and 1 consultant for 6 m/m. Supplies and equip., fellowships, grant-in-aid to Medical School, Addis Ababa University and Ministry of Health
Malaria control	WHO	148 000	2 health advisers for 12 m/m each. Supplies and equipment; fellowships; local cost to Malaria Control Programme for Ministry of Health
Schistosomiasis control	WHO	110 200	1 malacologist for 12 m/m. Supplies and equip., fellowships; local costs grant-in-aid for Pathobiology Institute, Addis Ababa University
Expanded immunization	WHO	100 300	Supplies and equip; local costs to Min. of Health
National Health Laboratory Development	WHO	262 100	1 virologist attached to the Central Lab. and Research Institute; supplies and equipment
Drugs and vaccines	WHO	35 000	Emergency supply for Relief and Rehab. Comm.
NATURAL RESOURCES			
Improvement of rural water supply	UNICEF	490 000	Well drilling, well digging and training of mechanics and pump attendants; supplies, equip. transport in cash and technical assistance
RELIEF ACTIVITIES			
Miscellaneous	UNHCR	3 276 750	Purchase and distribution of cloth, vehicles, kerosene lamps, local transport, brick-making machines, etc. to displaced populations in Hararghe, Bale and Sidamo

UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP

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Country and intercountry programming and projects

COUNTRY PROGRAMME OF THE GOVERNMENT OF ETHIOPIA

Note by the Administrator

Programme period	IPF for 1977-1981
1980-1982	$ 42 million

1. Nature of the programming exercise

1. In preliminary discussions with the Resident Representative the Government indicated the desire to take a more prominent role in the country programming exercise than before, and to prepare itself the draft country programme document. In June 1979 the Central Planning Supreme Council (CPSC) organized hearings to consider requests submitted to it by Government departments and agencies seeking UNDP support. These presentations were made in response to an invitation issued by CPSC at the beginning of the exercise. Representatives of UNDP and of the Specialized Agencies participated in these meetings which were the principal forum for the Agencies' sectoral contributions. The Resident Representative's Note on the Country Programme was also used as an input for the hearings.

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2. CPSC subsequently made a preliminary selection of projects to be included in the programme. These and a first draft of the programme document were discussed at a joint session with Agency representatives, attended also by the UNDP Assistant Administrator and Regional Director for Africa. Following further consultation within CPSC, the draft country programme document was prepared by its staff and submitted for circulation and comments within the United Nations system before formal submission.

II. Relation of the Country Programme to national development objectives

3. To attain the goals of the revolution, the Government of Socialist Ethiopia is forging a new set of tools of economic management, strengthening centralized planning and resource allocation, as well as intervening more directly in the economy. The far-reaching changes that have taken place in the last five years have radically altered the institutional scene and the development instrumentalities of the Government's capacity to influence and direct developments in the rural areas, where the vast majority of Ethiopia's population live.

4. In its planning, the Government at present operates on the basis of development targets set annually. Pending the elaboration of a medium-term plan, short-term development objectives are detailed in annual National Revolutionary Development Campaigns. These aim at:

(a) increasing the production of essential consumer goods and services;

(b) increasing the production of industrial goods required as inputs by agriculture and raising the production of agricultural raw materials required by industry, so as to strengthen the agriculture-industry linkage;

(c) alleviating and laying the foundation for the eventual elimination of the country's social problems;

(d) accelerating the socialization process;

(e) systematizing the distribution system and enhancing Government participation and control in the trade sector;

(f) augmenting foreign exchange receipts to improve the country's import capacity; and

(g) ensuring the equitable distribution of the benefits of development.

5. The Country Programme was elaborated within the framework of the Government's overall objectives and in keeping with its commitment to mobilize the country's natural assets for economic and social development. UNDP resources are therefore concentrated in the productive sectors: agriculture, industry and natural resources. The latest development campaign, which was launched in September 1979, gives prominence to raising the productivity of labour, capital and land, and to increasing the rate of investment and domestic savings. To this end particular emphasis is given to expanding the output of the traditional export commodities.

This is reflected in increased use of UNDP resources to support the industrial and foreign trade sectors.

6. The Government's interest in improving the administrative and organizational efficiency of State organs is reflected in continued UNDP collaboration with the controlling authorities in agricultural research, small industry and water resources.

7. UNDP's relatively small involvement in the social sectors is complemented by the significant contributions to these sectors of the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO). These two Agencies have carried out programming exercises covering the same period as the present Country Programme.

III. Contents and phasing of the Country Programme

8. The sectoral breakdown of programmed resources and the phasing of the Country Programme are as follows:

Table 1

Sectoral breakdown of programmed resources

Sector	Ongoing projects		New Projects		Total	
	Value ($000)	Per cent	Value ($000)	Per cent	Value ($000)	Per cent
Economic and social planning	1 211	4	860	11	2 071	5
Agriculture, Forestry and Fisheries	9 253	28	2 535	33	11 788	29
Natural Resources	6 375	20	946	12	7 321	18
Education and Culture	2 603	8	-	-	2 603	6
Health	2 858	9	-	-	2 858	7
Social and Labour Affairs	1 777	5	500	6	2 277	6
Transport and Communications	1 022	3	878	11	1 900	5
Industry and Trade	6 605	20	1 614	21	8 219	20
Science and Technology	1 130	3	450	6	1 580	4
Total programmed	32 834	100	7 783	100	40 617	100

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Table 2

Phasing of the Country Programme

A. Amounts programmed

Year	($000)
1980	14 863
1981	14 741
1982*)	11 013
Total	40 617

B. Resources taken into account for programming

	($000)
Balance of IPF resources (1980-1981) available for programming	24 867
Tentative 1982 resources (one-fifth of current IPF)	8 400
Provision for adequate programming *	7 350
Total	40 617

9. Since Government planning is at present conducted on an annual basis, the duration of the Programme has been limited to three years, rather than the customary five. As a consequence, a sizeable proportion of UNDP resources (80 per cent) are devoted to the support of ongoing activities, involving to a large extent institution-building of major central agencies, such as the Water Resources Authority, the National Productivity Centre and the Institute of Agricultural Research, which the Government considers are essential to its development efforts.

10. In agriculture, several activities such as land-use planning, soil and water conservation, and resettlement, are intended to mitigate and remedy the effects of the recurrent drought conditions that have struck many parts of the country in recent years. Reconnaissance and feasibility studies are further being conducted to expand irrigable areas.

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* In anticipation of an increased IPF for the 1982-1986 resource cycle, and taking into account activities that will then be ongoing, a programme of about $ 11 million has been foreseen for 1982.

11. In natural resources there is emphasis on water supply in rural areas, particularly for domestic purposes. Four projects are devoted to various needs in this subsector. The building up of geological survey activities and mining exploration is being continued. The energy sector is covered through several projects, one to assemble the information necessary for a national energy policy, a second to develop geothermal resources and a third to study the feasibility of installing hydro-electric microplants.

12. In the field of industry, substantial funds will be devoted to the preparation and study of proposals to expand existing industries and to create new industrial plants. Special attention is given to promoting the small industry sector and to the processing of leather products, as well as to standardization and quality control. Subsectoral surveys will be carried out as a preliminary to a full-fledged industry sector study. A building materials research centre is also to be set up with UNDP support to pave the way for increased local fabrication of building components.

13. Several projects specially designed for that purpose contribute to the development of human resources through education and training, and control of prevailing diseases. In the field of education, projects concerned with the training of teachers will absorb the greater part of resources allocated to this sector. In the field of social and labour affairs, increased support will be extended to the National Productivity Centre in an attempt to meet industrial manpower needs. In health, a major project financed from both the IPF and the Special Measures Fund for Least Developed Countries is designed to integrate in the communicable diseases control services the material and human resources built up over the years for the smallpox eradication programme.

14. Financial outlays have also been foreseen in the Country Programme for a few projects in the field of science and technology, (Research and Development in Water-pumping Technology in Rural Areas), and in transport and communications (Civil Aviation Training, Rural Road Construction, Telecommunications Training Institute, Logistic and Technical Support for Food-aid Transport). As their titles suggest, these projects have a potentially significant impact on the country's over-all development endeavour.

15. UNDP will try its best to assist the Government in realizing the maximum investment potential in the programme. About half of UNDP's resources are applied to projects where the primary function is typically of an institution-building character designed to create national capability and self-reliance in a particular sphere.

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16. Using yet other distinctions about 25 per cent of programmed resources are absorbed by activities that are part and parcel of the Government's planning mechanisms, centrally or in specific sectors. While virtually all projects encompass training components in one form or another, institutionalized training or projects predominantly concerned with training take up approximately 20 per cent of programmed funds.

17. In dealing with the various sectors, the Government's co-ordinating body, the Central Planning Supreme Council, has judiciously taken into account support received from other multilateral and bilateral sources, ensuring that they are complementary and mutually supporting. This is particularly noticeable in the agricultural sector, which by virtue of its central position in the Government's scale of priorities, has attracted the largest volume of external support.

IV. Special development problems and needs

18. The drought-related famine situations in recent years have brought into focus the serious development problems confronting Ethiopia in the short and long term, the inaccessibility of a major part of the country, the ecological degradation in many vital areas, and the growing food deficit. There is a recognized need to improve the productivity of the peasant population and to expand acreage for cereals both irrigated and rainfed, so as to achieve food self-sufficiency. Soil and water conservation measures, coupled with resettlement programmes, are essential for re-establishing environmental equilibrium in large areas of the country.

19. Structurally, the composition of exports, limited as they are to a relatively small number of agriculture-based commodities, calls for a determined effort at diversification to secure stable and growing foreign exchange revenues in future. Internal marketing and distribution mechanisms will need to be improved. Industry, as yet a minor contributor to the gross domestic product (GDP) (6-10 per cent), has still to achieve better capacity utilization before there can be sustained expansion.

20. Ethiopia, thus, shares with other least developed countries (LDCs) the characteristics that have led to virtual economic stagnation. Among these countries, judged on the basis of per capita GDP, it is one of the poorest. As beneficiary of external aid, it is also one of the most disadvantaged. In 1977, external assistance per inhabitant was only US $ 3.7, a mere quarter of the average for all LDCs and the second lowest figure in the Africa region. Per capita external receipts, including revenue derived from exports, were less than half of the LDC average. It should not be inferred that these figures reflect inability to absorb greatly increased inputs of external resources. On the contrary, there are serious indications that if additional resources were made available to Ethiopia, the country would be able to put them to good use.

V. Recommendation of the Administrator

21. In the light of the above, the Administrator recommends that the Governing Council:

(a) Approve the proposed country programme for the Government of Ethiopia for the duration of its programme period within the limit of its Indicative Planning Figure for 1977-1981; taking into account the balance of over-expenditure or under-expenditure of its 1972-1976 Indicative Planning Figure; and

(b) Authorize the Administrator to proceed with appraisal and approval action on requests for assistance falling within the outline of the Country Programme while ensuring, in accordance with the decision taken by the Governing Council at its eighteenth session (E/5543/Rev.1, paragraph 31), that expenditures are kept in reasonable conformity with the relevant Indicative Planning Figures and are contained within the financial resources available at any given time.